

Schedule D – Capital Gain or Loss Transactions Worksheet

[illegible]

Note 1: Use VARIOUS in Date Acquired column for mutual funds or stocks purchased on multiple dates. When using various for multiple short-term transactions, the S/L column must be overridden and an S entered. The holding period for long-term transactions is one year and one day.

Note 2: Use INHERIT in Date Acquired column for inherited stock if property was inherited from someone who died in any year other than 2010. Special rules apply to property inherited from someone who died in 2010 (see Publication 4895 for additional information). Property inherited from someone who died in 2010 is out of scope unless taxpayer can provide the basis information.

Note 3: Sales commissions and fees must be added to the basis unless they are reflected in Form 1099-B box 2a.

Note 4: Net losses greater than \$3000 will be shown on TaxWise Sch D Wkt 2. Excess losses will carry-forward to future tax years. If the taxpayer has a capital loss carryforward from a prior year, enter it on the appropriate line on Schedule D regardless of the amount of gain or loss for the current year. Always put Schedule D, Wkt 2, with taxpayer's papers.

Brokers' Statements

Look for all the following items. (You may or may not find them all.)

1. 1099-INT (Summary-NOT detail): Input info on Interest Statement
2. 1099-DIV (Summary-NOT detail): Input info on Dividend Statement
3. 1099-B (Summary and Detail) and "Cost basis" or "Transaction detail" for sale of stock: Input on Capital Gains Transaction Worksheet
4. "Management" or "Investment fees": Input on Schedule A Line 23
5. If there are dividends from mutual funds, look for an insert or chart that says what percentage came from federal government interest: Input as a minus state adjustment (check your state rules)
6. The chart should also show what percent came from municipal bonds from each state: Input exempt interest from states other than yours as a plus state adjustment on the dividend statement (check your state rules)
7. Foreign taxes paid: Input on Form 1116 in the Simplified Limitation Election section, only if all foreign taxes relate to passive income and the total on all tax statements (1099 etc) is less than \$300 (\$600 MFJ); otherwise, in scope only if certified in International.